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## **INTRODUCTION**

Kalamazoo YWCA entered into contract numbers DV-00-39001, STOP-00-39001, RPS-00-39001, TSH-00-39001, FFDV-00-39001 and ES-01-39003 with the Michigan Family Independence Agency (FIA). Under the DV contract, Kalamazoo YWCA was to provide emergency shelter, 24 hour hotline, crisis support, and group counseling services. Under the STOP contract they were to provide legal advocacy services for victims and training for police, prosecutors, advocates and court personnel. The RPS contract required them to provide 24 hour crisis hotline, direct emergency intervention, follow-up support counseling, ongoing support and advocacy, and community education services. The TSH contract required them to provide transitional supportive housing, employment, support, individual advocacy, parenting and children's services and childcare. The FFDV contract required them to provide counseling and outreach services to clients at risk of becoming homeless. The ES contract required Kalamazoo YWCA to provide emergency shelter to individuals who were homeless or in a crisis situation. Kalamazoo YWCA was reimbursed for actual costs incurred for the DV, STOP, RPS, TSH and FFDV contracts, and for units of service provided for the ES contract, through submission of monthly billings to FIA. The DV, STOP, RPS, TSH, FFDV and ES contracts totaled \$701,078. The contracts covered the period October 1, 2000 through September 30, 2001.

## **SCOPE**

The Office of Internal Audit performed an audit of Kalamazoo YWCA to determine if the agency's billings were accurate, and if costs billed were allowable and properly supported by the accounting records and other relevant documentation, in accordance with the terms of the contract. Our audit covered the period October 1, 2000 through September 30, 2001.

## **EXECUTIVE SUMMARY**

Based on our audit, we conclude that Kalamazoo YWCA over billed FIA \$26,669 for the RPS FY 2001 contract. Our report recommends that the Child and Family Services Administration initiate the process to recoup \$26,669 from Kalamazoo YWCA. We also concluded that the Kalamazoo YWCA billed costs under the Salaries Line Item that should have been billed under the Contractual Services Line Item in their STOP contract. We concluded that the costs billed for the other contracts were appropriate and properly supported.

## **KALAMAZOO YWCA RESPONSE**

The management of Kalamazoo YWCA has reviewed all findings and recommendations included in this report. They indicated in a letter dated August 20, 2002 that they are in general agreement with the report.

## **FINDINGS AND RECOMMENDATIONS**

### **Contract # RPS-00-39001**

#### **Equipment Cost Billed in Wrong Fiscal Year**

1. The Kalamazoo YWCA overbilled FIA \$26,669 for the RPS FY 2001 contract. Kalamazoo YWCA had problems that prevented starting the program during FY 2001, and the equipment purchase was delayed. Kalamazoo YWCA billed for these expenditures and was reimbursed by FIA in FY 2001. However, Kalamazoo YWCA stored the checks for payment for the equipment in the agency safe until March 2002, and did not release them to the vendor until the equipment was received in March 2002.

WE RECOMMEND that Child and Family Services Administration initiate the process to recoup \$26,669 from Kalamazoo YWCA for expenditures billed in FY 2001, but not actually incurred until FY 2002.

**Contract # STOP-00-39001**

Contractual Services Reported as Salaries

2. Kalamazoo YWCA reported personnel costs of \$22,642 in the Salaries Line Item of their August 2001 Expenditure Report. However, the individuals who provided these services were employed by Kalamazoo County, and the Kalamazoo YWCA reimbursed the County for the salaries expense. These positions were included in the contract budget under the Salaries Line Item. Costs for these positions should have been included in the Contractual Services Line Item in the budget and billed under that line item.

WE RECOMMEND that the Child and Family Services Administration ensure that the Kalamazoo YWCA includes these costs in the proper line item in their contract budget and expenditure reports for future contracts.